

## Distillery Stores to Mixed Beverage Retail Licensees

Distillery stores may sell their products to mixed beverage retail licensees provided the following procedures are followed.

Guidelines:

- The mixed beverage licensee is responsible for providing the store with a copy of the mixed beverage license that includes the licensee number and any other information needed to verify the validity of the license. If there is any question regarding the validity of a mixed beverage retail license please contact your enforcement agent prior to making any sales.
- Sale of miniatures (50mls) is prohibited to mixed beverage licensees except for motels, hotels, common carriers and golf courses as associated with a resort complex.
- Mixed beverage licensee customers may not purchase value added product packages for use in their place of business. Value Added Products are items of value that are included in a unique packaging of a regularly listed product. Common examples of value added products are glassware, flasks, T-shirts, jiggers, mixers, etc.
- Mixed beverage licensees may purchase co-pack items so long as no additional item of value is contained in the co-pack. Co-Packs are two bottles of distilled spirits which are offered at a reduced price when purchased as one sales unit. The price of the combined items must exceed the regular listed price of the more expensive item in the co-pack. All items contained in a co-pack must be regularly listed items and the co-pack must be listed and approved for sale by Virginia ABC with a unique MIPS product code.
- Sale of Virginia Wines is prohibited to mixed beverage licensees. The Code of Virginia states: Licensees must purchase wine and beer for resale only from wholesalers licensed to do business in Virginia. [COV §4.1-326]
- Licensee orders may be picked up by persons under twenty one (21) years of age if **in pursuance of duties as an employee of a mixed beverage licensee.**
- A representative of the licensee must sign the purchase order at the time of pickup.
- Agents of the Enforcement Division are to be allowed unrestricted access to stores for the purpose of examining the licensee files.
- Retail Mixed Beverage Licensees do not pay sales tax on purchases made in Virginia ABC stores.

### ASSEMBLING THE ORDER

- All merchandise sold to Mixed Beverage Licensee customers must have a Monarch Marking Machine label affixed to the **front** of each item indicating the mixed beverage retail license number, store number and order number using a 4 digit order number. The order numbers must be maintained by the distillery store and consecutive for the store. Monarch Marking Machines (or a similar device) and labels may be purchased from VABC or from a private retailer, provided the required information can be stamped on the bottle.

Example stamp for Store 032, first mixed beverage licensee sale, sold to licensee #12345:

**0320001**  
**12345**

Example stamp for Store 032, second mixed beverage licensee sale, sold to licensee #54321:

**0320002**  
**54321**

It is not required that a Mixed Beverage Licensee label be affixed to each individual container of 50ml merchandise sold to a licensee but a label must be affixed to the case or bag that contains the merchandise.

- All value added items (add-ons) must be removed from the merchandise sold to mixed beverage licensees **prior to sale**.

### **Finalizing the Licensee Order Form**

When the order is picked up by the licensee agent:

- Print two copies of the completed Virginia ABC licensee order form. All information must be complete and accurate.
- Have the licensee agent sign the completed licensee order form in the space opposite “Received By” on both copies
- Store personnel will fill out the Transportation Section on both copies of the form when the licensee agent has accepted the merchandise.
- Retain one copy of the Licensee Order form for store records. The second is to be issued to the licensee.
- Completed licensee order forms must be maintained by the Distillery Store and available for audit for a period of no less than two years.

### **Methods of Payment**

- Cash
- Mixed Beverage Licensee Business Checks (Note: Virginia ABC Distillery stores are responsible for collection of any funds not received due to returned checks. If the returned check cannot be satisfied prior to making the deposit for that sales period, the distiller is responsible for depositing the difference.
- Certified Personal Checks or Cashier’s Checks
- Credit or MC/Visa Debit Card
  - Sole Proprietor - Personal Credit, MC/Visa Debit Card or in the business, or trade name of the licensee.
  - Corporate Account - in the business, or trade name of the licensee.

NOTE: Mixed beverage licensee business checks, certified personal checks or cashier's checks may be accepted if the check is written in the exact amount of the purchase. If a licensee business check is accepted which is not written for the exact amount of the purchase, and good cause is shown, the difference may be reconciled in cash.

### **Reporting**

- Sales to mixed beverage licensees must be reported under the appropriate section of the monthly sales reporting.
- The distillery store must also fill out the detail log of sales to mixed beverage licensees and submit monthly when such sales have occurred. The totals listed on this log must match the monthly sales report.